

## JOHNSON GRADUATE SCHOOL OF MANAGEMENT

### ADMINISTRATION

Robert J. Swieringa, dean

John A. Elliott, associate dean for academic affairs

Michael J. Hostetler, associate dean for executive education

Richard A. Highfield, associate dean for MBA Program and operations

Steven J. Sharratt, executive director of development

Daphne Atkinson, assistant dean for admissions

Harriet Peters, director of advising and student activities

Stephen F. Johansson, director of career services

John P. McKeown, director of finance and business operations

L. Joseph Thomas, director of the Executive Development Program

Eugene Ziegler, director of computing services

Donald Schnedeker, head librarian, Eastwick Library

Rhonda Velazquez, assistant to the dean

Nancy A. Culligan, business manager and director of human resources

Catherine M. Davidson, managing editor, *Cornell Enterprise*, and publications coordinator

Linda Johanson, managing editor, *Administrative Science Quarterly*

Ann W. Richards, registrar and financial aid associate

Susan K. Salton, executive director of marketing and corporate communications

The Johnson Graduate School of Management prepares men and women for managerial careers in business. The school offers course work in many disciplines to provide potential managers with an understanding of the complexities of the professional world in which they will operate and of the organizations of which they will become a part.

A bachelor's degree or its equivalent is required for admission to the two-year program leading to the Master of Business Administration (M.B.A.) degree. Nearly half of the students have a background of undergraduate studies in arts and sciences, and about one-quarter in engineering. Five percent of the students begin their graduate training immediately after receiving their bachelor's degrees and the remaining 95 percent following work experience.

Combined degree programs allow highly qualified Cornell students to co-register in the school during their senior year, thereby earning a master's degree in less than the usual time.

The doctoral program, administered through the Graduate School, provides an advanced

level of education in business for those who seek careers in teaching and research at leading universities.

More detailed information about these programs is available from the Office of Admissions and Student Affairs, Johnson Graduate School of Management, Sage Hall.

Students in other graduate programs and undergraduate students registered with the university are welcome in many classes. Since matriculated MBA students require certain courses for graduation, non-Johnson School students are not allowed to pre-enroll. During the first week of classes, registration of non-Johnson School students occurs on a space available basis.

### UNDERGRADUATE ONLY

#### NBA 300 Entrepreneurship and Enterprise

Fall, spring. 3 credits. D. Ben Daniel.

This course provides a disciplined look at the entrepreneur and small business management. It deals with the formation and the acquisition of enterprises from the viewpoint of individuals who desire to become the principal owners. Reviews include legal and tax aspects, valuation techniques, organization forms, and venture-capital sources, as well as planning techniques necessary to launch a successful venture.

#### NBA 301 Entrepreneurship for Engineers

Spring. 3 credits. J. Nesheim.

This course is intended to introduce engineers to the new business startup process. Small teams will be formed to come up with an idea for a startup and create a business plan that can attract venture capital or other funding for the new enterprise. Guest lecturers are from successful high-technology companies. The course is led by instructors in Silicon Valley and Ithaca who created high-technology businesses.

### COURSES FOR NON-JOHNSON SCHOOL STUDENTS

#### NCC 550 Financial Accounting

Fall, spring. 3 credits. Course intended for non-Johnson School students only. Staff.

An introductory accounting course that examines the subject from the viewpoint of users external to the organization. Topics include transactions analysis; the accounting cycle; financial-statement preparation, use, and analysis; revenue recognition and cost measurement; present value; and problems in financial-accounting disclosure. This course is similar in content to the MBA core course: NCC 500.

#### NCC 553 Marketing Management

Fall, spring. 3 credits. Course intended for non-Johnson School students only. Staff.

The course addresses controllable and uncontrollable marketing variables that managers in multi-product firms face in today's business environment. Topics include customer behavior, product planning, distribution, advertising and promotion, pricing, and competitive strategy. This course is similar in content to the MBA core course NCC 503.

#### NCC 554 Management and Organizations

Fall, spring. 3 credits. Course intended for non-Johnson School students only. Staff.

This course takes a resource-based approach to management by arguing that organizations should link their strategy to their internal resources and capabilities. This theme is developed by addressing: (1) the strategic value of internal resources and capabilities, (2) the role of human resources and organizational behavior in formulating and implementing strategy, and (3) the importance of structure and the design of organizations in formulating and implementing strategy. Included among the topics are: how firms create sustainable competitive advantage through internal resources and capabilities, what the best practices are for managing people, what effects best practices have on attitudes and behaviors, why putting the customer first is not necessarily best practice from a resource-based perspective, why organizational culture is central to organizational effectiveness, why the formal organizational chart and structure of an organization are important, how organizations innovate, how organizations change through rearchitecture and reengineering, what firms gain and lose through pursuing core competencies, and what firms gain through strategic alliances and networks. The course makes extensive use of case materials. This course is similar in content to the MBA core course: NCC 504.

#### NCC 556 Managerial Finance

Fall, spring. 3 credits. Course intended for non-Johnson School students only. Staff.

An introduction to business finance through theory and case studies. Topics include the capital-budgeting decision, portfolio theory, the asset-pricing models, capital structure, mergers and acquisitions, costs of capital, option pricing, and international finance. This course is similar in content to the MBA core course: NCC 506.

#### NCC 558 Production and Operations Management

Spring. 3 credits. Course intended for non-Johnson School students only. Prerequisites: NCC 501 or permission of the instructor. Staff.

Operations management deals with the problems of producing and delivering goods and services, topics that are of strategic importance in almost every organization.

Production scheduling is a significant problem for manufacturing firms; smooth work flow and quality control are important in banking operations; inventory control is crucial in large retail establishments; and proper task sequencing is a major problem in the construction industry. The course deals with those and other problems from a managerial viewpoint. The course is designed around managerial problems in the operations area. Students use case studies to improve skills in problem identification. This course is similar in content to the MBA core course NCC 508.

#### **NBA 553 Finance and Accounting for Engineers**

Spring, 3 credits. Course intended for non-Johnson School students only.  
R. Hilton.

This course focuses basic financial and managerial accounting, the economic and financial concepts that have a bearing on managerial decisions. The goals of the course are: 1) to give students a working knowledge of the accounting process and the value and limitations of the data that comes out of the accounting information system, 2) to familiarize students with key concepts in managerial accounting and the application of cost information to pricing and operating decisions, 3) and to promote an understanding of the use of economic theory in the evaluation of capital investment projects. The teaching methods consist of lectures and cases. Students are evaluated on the basis of exams.

### **NCC COMMON CORE COURSES**

#### **NCC 500 Financial Accounting**

Fall, 2.5 credits. Johnson School core course. Enrollment limited. J. D'Souza.

An introductory accounting course that examines the subject from the viewpoint of users external to the organization. Topics include transactions analysis; the accounting cycle; financial-statement preparation, use, and analysis; revenue recognition and cost measurement; present value; and problems in financial-accounting disclosure.

#### **NCC 501 Statistics for Management**

Fall, 2.5 credits. Johnson School core course. Enrollment limited. J. McClain, J. Thomas.

An introduction to decision making under conditions of uncertainty. Topics include descriptive statistics, probability theory, classical statistics, statistical decision theory, and simple and multiple regression analysis. Applications in finance, marketing and operations management are discussed.

#### **NCC 502 Microeconomics for Management**

Fall, 2.5 credits. Johnson School core course. Enrollment limited. M. Waldman.

Microeconomic theory is introduced and applied to problems faced by managers. Specific topics covered include supply and demand, consumer behavior, pricing when a firm has market power, and the role of contracts. The class employs a lecture format and emphasizes problem solving. Grading is based on a midterm and a final exam.

#### **NCC 503 Marketing Management**

Fall, 2.5 credits. Johnson School core course. Enrollment limited. A. Ainslie, D. Stayman.

The course addresses controllable and uncontrollable marketing variables that managers in multiproduct firms face in today's business environment. Topics include market research, customer behavior, product planning, distribution, advertising and promotion, pricing, international and competitive strategy. Separate graduate and undergraduate sections are offered in the fall.

#### **NCC 504 Management and Organizations**

Fall, 2.5 credits. Johnson School core course. Enrollment limited. D. Sally, H. Haveman.

This course takes a resource-based approach to management by arguing that organizations should link their strategy to their internal resources and capabilities. This theme is developed by addressing: (1) the strategic value of internal resources and capabilities, (2) the role of human resources and organizational behavior in formulating and implementing strategy, and (3) the importance of structure and the design of organizations in formulating and implementing strategy. Included among the topics are: how firms create sustainable competitive advantage through internal resources and capabilities, what the best practices are for managing people, what effects best practices have on attitudes and behaviors, why putting the customer first is not necessarily best practice from a resource-based perspective, why organizational culture is central to organizational effectiveness, why the formal organizational chart and structure of an organization are important, how organizations innovate, how organizations change through rearchitecture and reengineering, what firms gain and lose through pursuing core competencies, and what firms gain through strategic alliances and networks. The course makes extensive use of case materials.

#### **NCC 506 Managerial Finance**

Fall, 2.5 credits. Johnson School core course. Enrollment limited. R. Michael.

The course objective is to introduce students to the basic concepts of finance. In particular, we address the issue of what type of investments should firms and individuals take on, and how these investments should be financed. Understanding these concepts are essential to financial managers and professional investors, and have important applications to many aspects of financial decisions all of us have to make on a daily basis (e.g., is getting an MBA a good investment?). These issues involve capital budgeting decisions, stock and bond valuation, how to assess and account for risk through the capital asset pricing model (CAPM), option pricing, capital structure and cost of capital, and market efficiency. Letter grade only, based on examinations, quizzes, group case reports, homework and class participation.

#### **NCC 508 Managing Operations**

Spring, 2.5 credits. Johnson School core course. Enrollment limited. Prerequisite: NCC 501 or permission of instructor.  
L. Robinson, M. Lojo.

Operations management deals with the problems of producing and delivering goods and services, topics that are of strategic importance in almost every organization. Production scheduling is a significant problem for manufacturing firms; smooth work flow and quality control are important in banking operations; inventory control is crucial in large retail establishments; and proper task

sequencing is a major problem in the construction industry. The course deals with those and other problems, from a managerial viewpoint. The course is designed around managerial problems in the operations area. Students use case studies to improve skills in problem identification.

### **NBA MANAGEMENT ELECTIVE COURSES**

#### **Accounting**

##### **NBA 500 Intermediate Accounting**

Fall, spring, 3 credits. Prerequisite: NCC 500 or the equivalent. M. Nelson.

The course is based on the essential concepts and terminologies of financial accounting introduced in the accounting core course. Students learn to evaluate financial statements through the use of case studies drawn from actual corporate financial reports.

##### **[NBA 501 Accounting for Mergers and Consolidations**

1.5 credits. Prerequisite: NBA 500 or permission of the instructor. Not offered 1998-99. R. Libby.

The course focuses on accounting problems related to equity financing, including equity restructurings, hybrid securities, intercorporate investments, consolidated reports, proforma statements for a merger prospectus, and other related financial reporting problems. The method of instruction is lecture mixed with cases. Grading is based on two exams. First half of semester. Course continues in NBA 508, Advanced Accounting, offered second half of semester.]

##### **NBA 502 Managerial Cost Accounting**

Fall, spring, 3 credits. Prerequisites: NCC 500, NCC 501, and NCC 502, or the equivalent. R. Bloomfield, R. Hilton.

The course is designed both for those responsible for internal accounting information and those who use such information for decision making. Topics include budgeting, accumulating costs for product costing, activity-based costing, standard costs, the analysis of cost variances, cost estimation and prediction, cost-price-volume decisions, performance measurement, nonmanufacturing cost analysis, cost allocation, and transfer pricing. Instruction will be a mixture of lecture and case discussion. Student evaluation will be based on a midterm exam, a final exam, a project, and class participation.

##### **[NBA 503 Strategic Cost Management**

2 credits. Not offered 1998-99. R. Hilton.

This course focuses on the role of cost management and related issues in helping a firm compete successfully in the global market. Topics considered include activity-based costing, activity-based management, value chain analysis, the lean enterprise, confronting competition in an industry dominated by lean enterprises, re-engineering, process value analysis, identification of non-value-added activities and costs, target costing, Kaizen costing, continuous improvement, time-based competition, cost versus quality, and benchmarking. The course is almost entirely based on cases, many of them lean enterprises in Japan.]

**NBA 504 Taxation Affecting Business and Personal Decision Making**

Spring. 1.5 credits. Prerequisite: NCC 500 or permission of the instructor. R. Bloomfield.

This course introduces students to the fundamental concepts and techniques of tax planning for individuals and businesses. Planning opportunities considered include changing the timing and nature of income, investments, and expenses; choosing an organizational form; constructing transactions that allow two or more parties to engage in tax arbitrage. The course also introduces tax research techniques and issues regarding tax compliance. Course continues with NBA 507.

**NBA 505 Auditing**

Spring. 3 credits. Prerequisite: NCC 500 or permission of the instructor. M. Nelson.

The course examines the process by which financial-accounting systems are audited. Topics include ethics, the meaning of audit reports, the legal liability of auditors, the study and evaluation of internal control systems, and various approaches for testing account balances. Problems, cases, and video simulations are used to illustrate concepts.

**NBA 506 Business Analysis and Security Valuation**

Spring. 1.5 credits. Prerequisite: NCC 506, NBA 500 (or concurrent enrollment) or permission of the instructor. S. Tasker.

This course develops a set of core skills essential to financial statement analysis. We will cover strategic ratio analysis, cash flow analysis, pro forma financial statements, financial modeling, credit analysis, bond rating and bankruptcy predictions, and firm valuation using discounted cash flow techniques. Emphasis is on practical applications. The course format is a combination of case studies and lectures. The lectures communicate subtler aspects of the material while the cases provide hands-on experience. There will be an exam.

**NBA 507 Tax Implication of Mergers and Acquisitions and Other Special Topics**

Spring. 1.5 credits. Prerequisite: NBA 504 or permission of instructor. R. Bloomfield.

This course examines special topics in tax planning for businesses, with particular emphasis on capital structure choices and reorganizations (mergers and acquisitions), and intra-entity transactions (transfer pricing issues). Readings include many current research papers examining how large corporations exploit their tax planning opportunities. Second half of semester.

**NBA 508 Advanced and International Accounting**

Spring, second half of semester. 1.5 credits. Prerequisites: NBA 501 or permission of the instructor. J. Elliott.

The course examines advanced topics in accounting for intercorporate investments, including leveraged buy-outs, international transactions and international subsidiaries, joint ventures, spin-offs, and other related financial reporting problems. The method of instruction is lectures mixed with cases. Grading will be based on two exams. Second half of semester. Continuation of NBA 501, Accounting for Mergers & Consol. (offered first half of semester).

**NBA 509 Advanced Financial Analysis**

Spring. 1.5 credits. Prerequisites: NBA 506, a finance immersion course, or permission of the instructor. Staff.

This course builds on the core financial analysis skills developed in NBA 506. Topics covered include equity valuation, residual income models, quality of earnings assessments, earnings manipulation detection, market efficiency issues, fairness opinions in MBO's, and large sample stock screening strategies. The overall focus is on using accounting-based information to make investment decisions. Emphasis is on practical applications and special attention is given to cultivating your analytical and communication skills. The course features both lectures and cases. There will be a group term project, but no final exam.

**NBA 510 Cornell Equity Research**

Fall, spring. 1.5 credits. Prerequisites: NCC 500 and NCC 506 or equivalent, and be taking (or have completed) NBA 506 or have permission of the instructor. S-U grades only. R. Bloomfield.

Students write and revise equity research reports on companies that are neglected by analysts and preferably undervalued. Class work includes lectures and cases on equity research and valuation, presentations by guest visitors, and presentations by students who must persuade the class to approve their stock recommendations.

**NBA 511 Corporate Restructuring**

Fall. First half of the semester. 1.5 credits. S. Tasker.

Restructurings have become common place in 1990's America. In this course, we will explore how and why corporate restructuring can increase shareholder value. Though intensive case analysis, we will model the impact on the firm of various forms of corporate restructuring such as recapitalizations, reorganizations, bankruptcy, spin-offs, carveouts, and downsizing.

**Economics****[NBA 520 Pricing and Strategy**

3 credits. Prerequisite: NCC 502. Not offered 1998-99. Staff.

This course extends material introduced in the core microeconomics course, where the focus is on pricing decisions. The course is taught very much like the core microeconomics course; i.e., the course consists mostly of lectures and problem sets that utilize the ideas contained in the lectures. One difference is that some understanding of calculus is required. The grading for the course is based on a midterm exam, a final exam, and a paper. Specific topics covered include price discrimination, peak-load pricing, product line pricing, and pricing when information is asymmetric.]

**NBA 524 Macroeconomics and International Trade**

Fall. 3 credits. Prerequisite: NCC 502 or equivalent or permission of the instructor. R. Lind.

The course applies basic macroeconomic theory to such problems as inflation, unemployment, economic growth, and productivity and examines how those problems interact with international trade and finance. Students learn to be informed observers of national and international economic policies and discerning users of

economic analyses and forecasts. A lecture/discussion format is used as the method of instruction.

**NBA 527 Applied Price Theory (also ECON 516)**

Spring. 4 credits. Letter/S-U optional grading. R. Frank.

The course emphasizes applications of the principles of price theory to a variety of problems taken from concrete, practical settings.

**Finance****NBA 540 Advanced Corporate Finance (Theory and Practice)**

Fall. 3 credits. Prerequisite: NCC 506 or the equivalent. Students who took NBA 540 and/or NBA 548, 1.5 credit version, can not enroll in this course. H. Bierman.

This course is relevant for both investment banking and the treasurer's activities of an operating corporation. Most class sessions are lecture-discussion, but there are several corporate finance cases. The topics include common stock, preferred stock, debt securities (duration, convexity, inverse floaters, bond refunding, term structure, swaps), hybrids, security design, weighted average cost of capital, basic capital structure issues, cash distribution policy, and the buy versus lease decision. The use of debt to add value, mergers and acquisitions, corporate restructuring, LBO's and MBO's and Merchant Banking are also covered.

**NBA 541 Economic Evaluation of Capital Investment Projects**

Spring. 3 credits. Prerequisite: NCC 506 or permission of the instructor. B. Swaminathan.

This course deals with the evaluation of capital investment projects under uncertainty. The first part of the course focuses on traditional capital budgeting techniques using the discounted cash flow approach. This involves the estimation of cash flows, the treatment of risk and discount rates, the role of inflation and taxes, and the use of single factor and multifactor asset pricing models in determining discount rates. The second part of the course focuses on the valuation of future investment opportunities of a firm using option pricing techniques. This includes issues such as flexibility options, options on real assets, evaluation of natural resource investments, and evaluation of new product investments. The methods of instruction are lectures, case discussion, spreadsheet exercises, statistical exercises, and seminars by practitioners. Students are evaluated on the basis of midterm and final examinations, cases, and homework assignments.

**NBA 542 Investments and Portfolio Analysis**

Fall, spring. 3 credits. Prerequisites: NCC 501 and NCC 502. H. Li.

This course covers the pricing of financial assets and instruments such as securities, bonds, options, and futures; the concepts of diversification, market efficiency, and risk-and-return relationships for (portfolios of) securities. The approach balances rigor and mathematical simplicity, but this is an essentially quantitative course. Students must be comfortable with statistics, regression analysis, and quantitative analysis as these tools will be routinely used from the beginning of classes. Students should also be

able to perform statistical analysis on computer packages (e.g., Minitab) and program worksheet packages (e.g., Lotus or Excel). The course will give the students a good view of the paradigms of asset valuation and their implications for financial asset management.

#### **NBA 543 Financial Markets and Institutions**

Fall, spring. 3 credits. Prerequisite: NCC 506. M. O'Hara, W. Bailey.

The course develops a framework for discussing financial intermediation. It analyzes the sources, uses, and pricing of funds in the economy and the various roles of banks and other financial intermediaries. Students explore the theory of commercial banking, study how central bank operations affect financial institutions, and learn when lending can be securitized and how such markets work. They also learn how the money market and the financial-futures market operate. Quantitative techniques are used to model economic theory.

#### **[NBA 544 Bank Management**

3 credits. Prerequisite: NBA 543. Not offered 1998-99. M. O'Hara.

The course provides an in-depth treatment of management issues in commercial banking. Topics include risk management, credit decisions and pricing, information problems, bank performance evaluation, international lending, and strategic planning. Students learn concepts through case studies and participate in a bank-simulation exercise.]

#### **NBA 545 Corporate Finance**

Fall. 1.5 credits. Prerequisite: NCC 506. J. Zender.

This half-semester course will cover some of the more advanced topics in the area of corporate finance, including executive compensation, corporate governance, and bankruptcy law. The course will include lecture/discussion sessions in which the main ideas and the existing evidence (i.e., the theory and the empirics) will be presented and discussed. Cases will be used to illustrate the importance and applicability of these ideas and to provide "hands on" understanding of the material.

#### **NBA 546 Introduction to Derivative Securities**

Fall, spring. 3 credits. Prerequisite: NCC 506 (Finance Core) or permission of the instructor. R. Gukhal, H. Li.

The course introduces students to the pricing and hedging of derivative securities. The course briefly covers forward contracts, futures contracts, and swaps. The primary emphasis is on option contracts. Underlying assets include stocks, currencies, and commodities. Fixed income derivatives are covered in NBA 555. The method of instruction is primarily lectures, supplemented by guest speakers. A midterm and a final exam comprise roughly half the grade, with the remaining half determined by assignments and class participation. The course is a prerequisite for NBA 550, Advanced Topics in Derivative Securities.

#### **NBA 547 Applied Financial Engineering (also OR&IE 565)**

Spring. 4 credits. Prerequisites: NCC 506, NBA 546, NBA 555, NBA 542, OR&IE 523, OR&IE 523, COMS 211, permission of instructor. R. Jarow.

This course is designed to integrate the students' course work in engineering (computing, stochastic modeling) and finance (options/futures and investment theory) through the completion of a project. The course project will be undertaken via student groups. It will involve the implementation of a financial model to a real world problem. Problems will come from the real issues facing the financial industry. The implementation will include model formulation, computer programming, data collection, and data analysis. The course format will be a mixture of lectures by faculty, industry professionals and students (project presentations).

#### **NBA 549 Managerial Finance Immersion**

Spring. 10 credits. H. Bierman, S. Smidt, S. Tasker.

This is a unique immersion course specifically designed for students planning to pursue finance careers in non-financial companies. Some students interested in non-finance careers (including consulting) may wish to consider this course, but they should recognize that it is not specifically designed for this purpose. A major objective of this course is to help students make more informed choices about how to launch their finance careers. The course will provide a high level of interaction with executives who work in the finance function in a diverse collection of non-financial corporations. These interactions will take place on campus, and in the facilities of the participating companies. A conscious effort will be made to have a very diverse sample of industries and company sizes so that students can appreciate how the financial functions of a company are affected by the size of the company, its internal culture, and the economics and technology of the industries within which it operates.

#### **NBA 551 Current Topics at the Crossroads of Law and Finance**

Spring. 3 credits. M. O'Hara.

This course explores a series of selected topics that involve important issues in law and finance. The premise of the course is that financial institutions of all kinds, whether they are known as insurance companies, banks, investments banks, or pension funds, invest money and advise clients in a wide variety of settings. This agency relationship introduces a number of important dimensions to the intermediary-client relationship and this course will look at these issues from both an economic and legal perspective. Emphasis will be placed on the intersections between modern finance theory and legal analysis.

#### **NBA 552 Cases in Corporate Finance**

Spring. 3 credits. Prerequisites: NCC 506 or the equivalent. Recommended: NBA 540. Course is limited to second-year MBA's and Twelve-Month Option Students. Students who took NBA 535 and/or NBA 536, 1.5 credit version, can not enroll in this course. H. Bierman.

This course consists of discussions of corporate finance cases dealing with corporate financing. Students will form groups and formally present one case and critique a second. This is in addition to the normal class sessions. The cases in this course deal with

mergers, acquisitions, valuation, corporate restructuring, LBO's, MBO's, Merchant Banking and the financing of corporations. The material applies equally to careers in investment banking and managerial finance. The course does not deal with sales trading or the details of managing an investment banking firm. Several executives working in corporate finance will present cases.

#### **NBA 554 International Finance**

Fall, spring. 3 credits. Prerequisite: NCC 506. W. Bailey.

This course applies principles of finance to the international setting. International finance is different in two basic respects. First, the existence of multiple currencies adds risk to investment and financing decisions. Second, when corporations and portfolio investors cross international borders both problems and opportunities arise. We focus on these issues and highlight how finance theory can be extended to address them. We start with basic principles of international finance, then apply those principles to a variety of problems. The course helps students to understand the ideas and research results of international finance and to adapt what they learn to the practical problems of the increasingly globalized business world beyond the classroom. The first part of the class outlines three basic themes: exchange rate volatility, barriers to international capital flows, and the value of international diversification. The second part of the class presents a variety of problems, examples, and applications from the three basic themes. These range from corporate finance applications of capital budgeting to portfolio management strategies. Spreadsheet assignments and a term project requiring data analysis develop research skills and illustrate academic concepts. Exams consist of computational, short answer, and short essay questions.

#### **NBA 555 Fixed Income Securities and Interest Rate Derivatives**

Spring. 3 credits. Prerequisites: NCC 506, NCC 501. R. Jarow.

This course is designed to study the pricing, hedging, and risk management of fixed income securities and interest rate derivatives. Topics to be studied include: the term structure of interest rates, interest rate swaps (caps, floors, collars), the risk structure of interest rates, credit risk spreads, and corporate bond valuation. The method of instruction is lectures and discussion, with computer illustrations an integral part of the class content.

#### **NBA 556 Immersion in Investment Banking**

Spring. 10 credits. Prerequisite: NCC 506. H. Bierman, T. Dyckman, J. Hass, S. Tasker.

This course is specifically designed for those students planning to pursue careers in investment banking. The course is inappropriate for students interested in following a finance career in non-financial industry or non-finance careers (including consulting).

This course is designed to meld the practical and the theoretical aspects of the field. We will be expecting a great deal of interaction and discussion between students, the participating faculty, and visiting practitioners. While the course is designed to make its students more attractive as candidates for employment in the investment banking



profession, and we expect that some of the participating firms will be using their visits to identify candidates for summer internships, obtaining relevant summer internships remains the responsibility of the students.

#### **NBA 557 Case Studies in Venture Investment and Management**

Fall. 2 credits. Prerequisites: NCC 500 and NCC 506 or concurrent enrollment. W. Thomas.

A series of cases that focus on the venture capital investment process and on the subsequent management of such ventures. The primary perspective is that of the venture capitalist in assembling and evaluating information, preparing forecasts, assessing risks, developing and negotiating investment structure and terms, and deciding whether to invest. Cases also focus on management and financial problems and policy issues and the relationship between venture capitalists and entrepreneurs. The secondary perspective is that of the entrepreneur and the techniques and skills employed in managing growing enterprises. Presentations by venture capitalists and entrepreneurs will supplement student discussion and analysis of cases. Grades will be based on written reports, quality of classroom participation, and a final exam.

#### **NBA 558 Corporate Financial Policy**

Fall, second half of semester. 1.5 credits. Prerequisite: NCC 506. J. Zender.

The course will deal with frontier topics in corporate finance and investment strategy. The financial world is changing at an increasing pace. New financial products are coming to the markets, and the financial structure of many corporations is becoming more and more complicated. Corporate financial officers and investors (such as money managers) need to know the driving forces behind the financial products (debt, equity, and more complicated products) to understand the products themselves. Understanding these issues will enable us to estimate firm values more precisely. The course objective is to enable you to better analyze financial situations you may encounter in the future, as well as firms' valuation techniques.

### **General Management**

#### **NBA 530 Entrepreneurship Lab**

Fall, spring. 3 credits. Prerequisites: NBA 564 Entrepreneurship, or concurrent enrollment, or permission of the instructor. P. Sears.

Students will team up with entrepreneurs in the greater Ithaca area on defined projects, which will be integral for the companies' operations, such as production planning, new product launches, or assessing organizational structure. The goal of the course is for students to gain first-hand exposure to the application of functional knowledge in a start-up setting, while bringing real value to the host company.

#### **NBA 531 Startup Forum: Cornell Technologies with New Venture Potential**

Fall. 1 credit. R. Holsten.

The course will focus on research at Cornell, which may be a basis for new business ventures. It will address the fundamental ways in which university-based research differs from industrial research. Students will

explore and critique the business potential of each concept.

#### **NBA 532 Venture Partnerships: Big Company and Emerging Company**

Spring. 1.5 credits. P. Sears.

The course will examine the role of the business development executive in managing partnerships between big companies and new ventures. Topics include setting growth targets, negotiating partnership agreements, managing expectations, licensing, and divestiture.

#### **NBA 559 The Venture Capital Industry and Private Equity Market**

Spring. .5 credit. D. BenDaniel, J. Reyes.

This course focuses on the industry from the practitioners' perspective. Topics include (1) an introduction to the private equity market focusing on the transactions that define the industry, its structure, participants, history and trends, (2) institutional private equity investing—now an increasingly important and dynamic part of the asset allocation mix, and (3) issues in private equity investing such as concentration in fewer, larger funds and the critical role of a new class of gatekeeper/consultants for limited partners. The course is given jointly by Professor David BenDaniel and Jesse Reyes, Director of Research of Venture Economics Information Services.

#### **NBA 560 Business Law I (also ARME 320)**

Fall. 3 credits. D. Grossman.

The course introduces the basic tenets of law as they apply to businesses and their operations. Topics include personal property, contracts, agency, real property, and landlord-tenant concerns. Text readings and case studies are used. All students intending to be professional accountants are required to take the course, and it is strongly recommended for finance students.

#### **NBA 561 Business Law II (also ARME 321)**

3 credits. Prerequisite: NBA 560 or permission of the instructor. D. Grossman.

The course examines business organizations and the principles of commercial law affecting businesses. Topics include secured transactions, bankruptcy, commercial-paper, antitrust, consumer-protection, security-regulation, and environmental-protection laws. Text readings and case studies are used.

#### **NBA 562 Estate Planning (also ARME 422)**

Fall. 1 credit. D. Grossman.

Fourteen sessions on the various aspects of estate planning. The law and use of trusts, the law of wills, federal and New York State estate and gift taxes, and probate procedures are covered.

#### **NBA 563 Initial Public Offerings and Acquisitions**

Spring. 3 credits. Prerequisites: none. J. Shulman.

An in-depth look at initial public offerings (IPOs) and acquisitions from a practitioner's point of view. With respect to IPOs the course will cover: the applicable statutory framework, pre-offering corporate preparation (such as implementation of poison pills and stock option plans), the due diligence process, the implementation of corporate governance policies appropriate for a public company, the offering registration process, liability under federal securities laws, the Securities and Exchange Commission review process,

underwriting arrangements, pricing, selection of a trading forum (i.e., NYSE, NASDAQ or AMEX) and the consequences of going public. Regarding acquisitions, the course will explore: financing alternatives, accounting treatment, due diligence, choosing an appropriate transaction structure (i.e., stock versus asset sale) and crucial aspects of acquisitions, such as letters of intent, continuity of employees, anti-takeover strategies, and non-competition agreements. Mr. Shulman is an attorney with experience in IPOs and acquisitions, and an adjunct professor at the Cornell Law School where he teaches a seminar course on this topic.

#### **NBA 564 Entrepreneurship and Enterprise**

Fall, spring. 3 credits. D. BenDaniel.

The course uses Cornell-developed case studies and lectures to address entrepreneurial management in start-up ventures and new-business development in existing companies. Among the topics covered are valuation of business, planning, obtaining resources, management of growth, and cashing out. Guest lecturers speak on specialized topics such as corporate and patent law, bankruptcy and work-outs, leveraged buy-outs, and valuations of businesses. Students team up to write and present business plans. The course attempts to integrate marketing finance, operations, and human-resource topics in the context of high-growth business ventures.

#### **NBA 567 Management Writing**

Fall, spring (sections offered in both first and second halves of semester). 1.5 credits. S-U grades only. B. Mink, A. Pike, M. Hittleman.

Students learn to write clearly and effectively by focusing on the writing process as well as the finished product. Course topics include audience perspective, style, organization, strategy, and persuasion. The seminar-style class is seven weeks long and limited to fifteen students, who write an assignment every week. Students consider style, organization, tone, and clarity by critiquing each other's work in class.

#### **NBA 568 Oral Communication**

Fall, spring (sections offered in both first and second halves of semester). 1.5 credits. S-U grades only. B. Mink, A. Pike, C. Rosen.

NBA 568 focuses on improving the presentation skills of management students. The course covers the areas of speaking formats (impromptu, extemporaneous, manuscript), delivery, organization, visual aids, and question/answer. Student speeches constitute the bulk of class time, with each student presenting seven or eight speeches in the seven-week session. The small class size allows for significant individual attention. Students receive feedback from classmates and the instructor, and have the opportunity to review in tutorials the videotapes of most of their presentations.

#### **NBA 569 Management Consulting**

Fall, spring. 3 credits. A. McAdams.

The course is case-study oriented and focuses on strategic consulting. It has multiple objectives. First, it provides students with the opportunity to understand the role of the consultant and to gain indirect experience in that role through dealing with a broad range of practical and real-world issues. Second, it helps students improve their analytic skills through practice with case studies. Third, it

provides students with information that they are unlikely to gain in other courses, as well as experience making group presentations and evaluating them. In addition, students are required to write a comprehensive analytic term paper.

#### **NBA 570 Leadership in Management**

Spring. 1.5 credits. MBA students only. R. Peterson, CCL.

This course is an extraordinary partnership with the Center for Creative Leadership (CCL) to provide MBA students with the self-awareness and interpersonal skills required to be effective leaders. Training will be provided by professional staff from the Center for Creative Leadership.

#### **NBA 571 Cornell Management Simulation**

Fall. 1.5 credits. Restricted to second-year MBA students. J. Hass.

This computer-based simulation is played by teams of four, self-selected students who make marketing, production, and finance decisions for one of five companies operating competitively in the same industry. After the first week, during which the rules of the simulation are explained and the software used by each team is demonstrated, the teams make weekly decisions (meeting at their own convenience). At the beginning of the simulation, each team writes a Strategic Intent paper and, before the results of the last decision have been determined, each team presents an in-depth analysis of its performance and its strategy for the future in a "Board of Directors" meeting. Letter grading only, based on the value created for the company's shareholders (relative to other firms in the same industry), the team's Strategic Intent paper and the instructor's evaluation of team's performance at the BOD meeting.

#### **NBA 572 Environment, Economics, and Management Policy**

Fall. 3 credits. Enrollment preference to Johnson School and other graduate students, others by permission. D. Chapman.

Environmental protection and pollution controls are of major importance in the U.S. and OECD countries and are growing in importance in developing countries. This course analyzes the economic rationale affecting business and public decision making. It investigates the success achieved in the U.S., and the important role that business has played in that success. Case studies review government-business cooperation, methods of analysis, and management strategy. The course concludes with business leaders presenting their past experiences and current challenges for analysis by the class. The general goal of the course is to introduce future managers to the realistic process of successful environmental decision making.

#### **NBA 573 Projects in Environmental Management**

Spring. 1.5 credits. A. McAdams.

This is a project course of interdisciplinary teams focused on environmental issues faced by real world organizations: businesses, governmental agencies, not-for-profit institutions. The project teams are to establish a "contract" with their organization to achieve mutually agreed goals during the semester, with appropriate "milestones" to be completed at intermediate stages. Project outcomes will be provided to the host organization through

a formal presentation and report at the end of the semester and result in a formal case study of the issues involved. This course is taught jointly with Professor McAdams/Advanced Consulting course, NBA 575.

#### **NBA 575 Field Projects**

Fall. 3 credits. J. Russo.

The course teaches how to frame unstructured business problems through a hands-on team project. Teams must identify what the central issues are and then determine the most appropriate tools and concepts to provide insight into these issues. Students also learn to approach business problems from a cross-functional perspective. Specific conceptual content includes: project management; power, politics, and personalities in work groups; managing in for-profit versus not-for-profit organizations; and organizational change. Field Projects is not classroom-based. Although there will be a few class sessions early in the semester, the course structure will revolve around (a) periodic reviews and (b) coaching sessions as needed. The instructor team will contain one regular member of the Johnson School's faculty, an experienced executive, and an administrator.

#### **NBA 576 The World Geopolitical Environment of Business**

Fall. 3 credits. Letter/S-U optional grading. R. Lind.

The geopolitical face of the world is changing at a pace that few could have envisioned even five years ago. The unification of Germany, the fall of communism and institution of sweeping economic restructuring in the former Soviet Union, the move toward democracy with market economies in eastern Europe, the movement of Europe toward a unified economy, and the flirtations with reform and its implications in China are just a few of the many examples of the changing world environment of business. The course provides students with a view of those fast-paced worldwide changes. Topics covered include developments in western and eastern Europe, the former Soviet Union, the Pacific Rim, Central and South America and the Middle East and the role and fate of developing countries in the world economy. Guest speakers include leading scholars from Cornell and other universities and leaders in business and government.

#### **NBA 577 The Political, Legal, and Regulatory Environment of Business**

Spring. 3 credits. Letter/S-U optional grading. R. Schuler.

The political climate, laws, regulations and government arrange for infrastructure have a profound effect on the nature, operation, and profitability of business. Many of the most important decisions that top management makes are driven by political, legal, and regulatory considerations (e.g., the responses of Exxon to the Exxon Valdez oil spill and Union Carbide to the Bhopal, India, gas leak and the decision of AT&T to accept the division of its company in response to an antitrust suit filed by the United States government). Environmental and waste-management concerns are leading to new laws and regulations that will affect many aspects of business well into the next century, creating opportunities as well as posing problems. The course begins with a discussion of the political and economic foundations of business regulation. Students examine different areas of application, including economic regulation, environmental

regulation, antitrust, and product liability. Guest speakers include leading scholars from throughout the university and business and government leaders.

#### **NBA 578 Business Ethics**

Fall. 3 credits. R. Frank.

Students examine actual situations in business, both in the United States and abroad, that involve ethical issues affecting individuals and organizations. They are challenged to decide on appropriate ethical positions.

#### **NBA 579 Business Strategy**

Fall (first half). 2 credits. Enrollment limited to second-year MBA students only. J. Suwinski.

A well defined strategy is essential for business success—describing where the business is going, how it's going to get there, and then providing a framework for making decisions along the way. Strategy is the responsibility of top executives of a company/business, and the ability to formulate effective strategy is one of the key skills that distinguishes general managers from functional managers. This course will focus on the process of effective strategy formulation from the perspective of the general manager of a business unit. This perspective also applies to consultants working for clients on business unit strategy. Corporate strategy and its interaction with business unit strategies will be discussed, as well as tools useful for industry and company analysis. The course consists of lectures by the instructor, readings, and cases selected to illustrate important strategic concepts and analytical building blocks. The course will draw heavily on the instructor's experience developing strategy for numerous businesses at Corning Incorporated. Guest speakers from strategy consulting firms and also from industry will present their approaches to strategy, and the analytical tools they find most effective in working on business strategy. Students will gain experience, via assigned cases, in analyzing business problems/opportunities, using the strategic process to formulate effective business strategies, and in presenting their recommendations in written form and orally in class. A major case write-up and presentation in a mock board environment at the end of the course gives students an opportunity to play the role of strategy consultants working on a real case.

### **International Management**

#### **NBA 580 Strategies for Global Competitiveness**

Spring. 3 credits. A. McAdams.

Initially, students explore the role of government in several private-market industrialized nations—Japan, France, Germany, the United Kingdom, and Italy—for lessons the United States might learn and use. They investigate the impact in each of those countries of government policies on the global competitiveness of the country's firms. Special emphasis is given to differential policies appropriate to each of a range of industries, from the mature to the high tech (including computers, telecommunications, and electronics), and to stages of development in each economy. Possible lessons are then tested for less developed countries that might include Venezuela and Malaysia and newly emergent countries such as Singapore.

**NBA 584 International Competitive Strategy**

Fall and spring. 1.5 credits. Prerequisites: none. This course can be used to fulfill the strategy requirement. J. Katz.

Focuses on the development of competitive strategies in the global environment—including the identification of internationally relevant strengths and weaknesses, the movement and use of resources to gain competitive advantage, and strategies to confront competitors, both domestic and multinational.

**NBA 585 Cross-National Management**

Fall, spring. 1.5 credits. Prerequisites: none. J. Katz.

Focuses on the differences in managerial style across countries and the development of skills with which to deal with those. Most of the material will be applicable to all countries, though two specific countries will be highlighted each semester.

**NBA 586 Global Management Structures**

Spring. 1.5 credits. Prerequisites: the new version of NBA 584. J. Katz.

Focuses on the control, communication and coordination systems within multinational corporations. Design and development of appropriate systems, to ensure enactment of corporate strategy will be addressed.

**NBA 587 International Mergers & Acquisitions**

Spring. 1.5 credits. A. Rosenbloom.

This course covers issues relating to mergers and acquisitions in an international context. Topics include business due diligence, pricing and negotiation and other important topics from both the buy and sell side. The course will use both lecture and case formats. Students will be evaluated on the basis of group and individual written assignments. The instructor for the course is special partner and former chairman of the board of Patricof & Co. Capital Corp., a New York City-based firm specializing in mergers and acquisitions, private placements, and valuations of going concern businesses for tax and corporate purposes. Patricof has offices in New York and Palo Alto, affiliates in London, Paris, Zurich, Madrid, and Munich and is part of Apax Partners, which includes Patricof & Co. Ventures, Inc., one of the world's largest international venture capital firms. He holds a bachelor's degree from Bucknell University, a master's degree from Columbia University, and a law degree from Cornell. He has taught a similar course at Columbia.

The course is offered in the first half of the semester. Beginning with the third meeting of the course, Mr. Rosenbloom will conduct the course via a video-teleconferencing link from New York City.

**NBA 590 Managing in Developing Countries**

Fall, first half of semester. 1.5 credits.

Letter/S-U optional grading. J. Katz.

This class centers on the unique features of industrializing countries as hosts for multinational business operations. It is a case-based course; each day is spent discussing one or two cases. Topics include environmental variation and how to deal with it and concentrated national power structures and their management. We cover a large number of countries spread throughout the world. Students are responsible for providing in-class updates on the countries discussed, because

while the case content remains valid, some of the facts presented about the countries are out-of-date. Grading is based on the country update presentation, a final case write-up, and class participation.

**NBA 592 Experience in International Management**

Spring, first half of semester. 1.5 credits. S-U grades only. J. Katz.

The objective of this course is to combine classroom sessions and an international study trip to give students a fuller understanding of differences in national industrial structures and national management styles. All students will attend six sessions (one per week for the last half of the semester) that will provide a theoretical background on business structures, management norms, and cross-cultural communications patterns in the countries that will be visited. Each student must then join one of the January study trips (Destinations to be announced in September). On the trips, student will visit local businesses, subsidiaries of foreign multinationals, government officials, local business school students and others. Following the trips, students will be required to write a final paper integrating the material learned in the classroom with their experiences. The class will also have one debriefing meeting. NOTE: participation in a study trip is required to complete this course (fee charged).

**Management Information Systems****[NBA 600 Database Management**

3 credits. Prerequisite: some knowledge of computing and systems, e.g., COM S 211. Not offered 1998-99. L. Orman.

The course introduces the design, use, and management of computerized databases. Topics include physical and logical data structures, design issues, and retrieval, maintenance, and security problems. Students design, create, and use databases using various database management systems.]

**NBA 601 Electronic Commerce**

Fall, spring. 2 credits. Course will meet for the first nine weeks of the semester. L. Orman.

Electronic commerce is the use of information technology in conducting economic transactions and managing businesses over computer networks. It is a phenomenon that has captured the public attention because of its wide-ranging implications for businesses, markets, public institutions, and the general public. Electronic commerce involves a wide variety of cooperating technologies such as communications, networks, databases, expert systems, and multimedia. It also impacts a wide variety of managerial issues. Electronic commerce created a new emphasis on information technologies and systems in management. It led to the development of new technologies and new combinations of existing technologies to support management. On occasion, it radically altered business practices and the role of management.

The students in this course will learn to conduct economic transactions and manage businesses on the Internet. All major technical and managerial issues will be covered through computer exercises on the Internet, and case studies and examples of businesses on the Internet.

**NBA 612 Imaging and the Electronic Age**

Fall. 3 credits. D. Greenberg.

The advances of computer graphics, computer processing power, network bandwidths and video compression technologies are forcing the merger of the telephone, television and computer industries. The influence of these technologies have created paradigm shifts that will drastically change the way we communicate, how we are educated, the way we work, design, and in essence, how we will live in the next century. This course will start by presenting historical technological advances that created major paradigm shifts for communications. Advances in computer technology emphasizing the fundamentals behind the increases in processing power, video and computer graphics capabilities, and network transmission will be presented. The latter half of the course will cover the effect of these advances on several discipline-specific areas including photography and publishing, as well as the computer industry itself. One session will be devoted to the social and legal issues rising from the rapid advances in electronic communication. The course will be especially tailored to a business school and industrial concerns and will have interactive live demonstrations at the state of the art laboratory of the Program of Computer Graphics. No prior knowledge in computer science is required.

**NBA 614 Managing in the Information Age**

Fall, first half of semester. 1.5 credits. A. McAdams.

This course explores a topic that is just beginning to emerge: the implications of the explosion of the Internet and interactive multimedia communications for the way managers think and manage. It will examine the origins of the Internet and some of the forces that have let to its rapid development, noting along the way why and how it has "blindsided us" as Andy Grove of Intel and Bill Gates of Microsoft candidly state. The course will look at how information is being used today in pioneering applications in organizations of various kinds based in part on original case studies and on guest lecturers. Throughout the semester the student will be asked to identify new and innovative uses of modern information technologies. The course itself will evolve—even in real time—with the developments in the field.

**NBA 615 Using Information Technology to Manage the Business**

Fall. 1.5 credits (variable). S-U grades only. A. McAdams.

This course will rely on visiting speakers from several technology-based firms. The speakers will address how to manage the information technology function as a business and how to use IT to deal with business problems. Speakers will come from hardware companies, software companies, and other organizations dealing with large issues of managing the information resource. There will be assignments, with student groups interacting with speakers, and a short paper at the end of the course. The course will meet approximately 10 times during the semester for up to two hours. H-P, Intel, and other firms have indicated an interest in being involved.

## Marketing

### NBA 620 Marketing Research

Fall. 3 credits. Prerequisites: NCC 501 and NCC 503, or the equivalent. V. Rao.  
The course teaches students to identify information needs for developing marketing strategies and making tactical plans. They are introduced to up-to-date methods in research design and data collection, measurement, and analysis. They gain hands-on experience with such methods through problem sets and group projects. The discussion balances the viewpoint of researchers with that of managers who commission research.

### NBA 621 Advertising Management

Fall. 3 credits. Prerequisite: NCC 503. D. Stayman.  
The course is designed to give students an understanding of the advertising and promotion management process. It covers the components of a successful advertising campaign and helps students develop an appreciation of the issues involved in advertising planning and decision making. They also learn how recent social-science findings and theory can facilitate advertising management.

### NBA 622 Marketing Strategy

Fall. 3 credits. Prerequisite: NCC 503. V. Rao.  
The course balances theoretical and practical approaches to the development and evaluation of marketing strategies for multiproduct firms. It considers various environmental opportunities and constraints in developing and evaluating integrated marketing strategies for new and established products and services. Recent research results are applied to decisions on product-market boundary definition, resource allocation, product positioning, and competitive reactions. It includes selected current topics such as brand equity, acquisitions, and lead-user analyses. Students use case studies extensively to develop skills in strategy analysis and to enhance skills in assessing external threats and opportunities. They employ computer-assisted market strategy simulations to evaluate the effects of competing strategies. Guest speakers from industry provide a view of the operational aspects of marketing strategy.

### [NBA 623 Models and Methods for New Product Development

Fall, spring. 3 credits. Prerequisites: NCC 501 and NCC 503. Not offered 1998-99.  
The successful introduction of new products requires careful planning and systematic screening and testing. This course covers models and methods that are useful to managers in the development (e.g., specification of products and services) and marketing of new products. Heavy emphasis is placed on the measurement of consumer preferences. Students are required to complete a group project, consisting of a measurement instrument, data collection (from at least 30 respondents) and data analysis, for a self-chosen product category. The method of instruction consists of a combination of lectures and discussion of cases and articles. Performance is evaluated primarily based on exams and the group project.]

### NBA 624 Immersion in Brand Management

Spring. 15 credits. Prerequisites: NCC 500, 501, 502, 503 and 506. Restricted enrollment permission of the instructor required. G. Babbes.  
This is a full-time program for the semester; students will not be able to take other courses concurrently. The course objective is to begin training students to think and act like brand managers, one of the best-trained and most upwardly mobile professionals in industry. It will provide students with a unique opportunity to begin internalizing the concepts, principles, and tools necessary to achieve success in brand management. While the course will focus on managing traditional consumer brands, high-tech products, services, and global branding will also be addressed. In-class methods will consist of: (1) academic and industry lecturers; (2) on-site visits with marketing and manufacturing professionals; (3) case and project discussions and presentations; and (4) a brand management simulation. Course requirements will consist of (1) extensive readings; (2) individual case write-ups and presentations; (3) group projects and presentations (including a capstone business plan development project); and (4) in-class exams. There will be considerable off-campus travel for field study. Note that this course is an approved substitute for both core courses, NCC 508 and NCC 504.

### NBA 625 International Marketing

Spring. 1.5 credits. Letter/S-U optional grading. Recommended: NCC 503. J. Katz.  
International Marketing is designed to train students to take a domestic product and expand it into international markets successfully. Market selection, international market research issues, and international marketing strategies are all discussed. The term project (actually submitted in three parts throughout the term) requires that students choose some product and develop a plan for taking it abroad. The course test includes a series of short (1-3 page) cases that are used as the basis of discussion in each class. Therefore, class preparation is essential. Grading is based on the term project, the final, and class participation. Core marketing provides a useful background, but is not a prerequisite.

### NBA 626 Consumer Behavior

Spring. 3 credits. A. Isen.  
Topics include factors that influence response to advertising of various kinds, purchase decisions, product perceptions, response to promotion, consumer satisfaction, and the basic methodologies for understanding consumer behavior.

### NBA 627 Affect and Brand Equity

Spring. 3 credits. A. Isen.  
The course examines ways in which affect, or feelings, can play a role in processes related to brand equity. It focuses on the influence of affect on the development, change, and maintenance of brand perceptions and brand loyalty. Topics include brand loyalty, variety seeking, product categorization, judgment, decision making, and risk preference. Those six areas are important in choices related to brand equity and brand loyalty (e.g., choosing brand-name products or value-priced ones, staying with a brand or switching).

### NBA 630 Policies for Marketing Channels

Spring. 3 credits. Prerequisite: NCC 503. V. Kadiyali.  
Marketing channels are analyzed as a chain of interdependent and interlocking organizations that produce and deliver goods and services to various types of consumers. We will look at various aspects of these relationships, such as efficiency, conflict, incentives and government intervention. Instruction consists of lectures, cases and guest speakers.

### NBA 631 MARKSTRAT Simulation

Fall, second half of semester. 1.5 credits. Prerequisite: NCC 503. V. Rao.  
MARKSTRAT Simulation offers an opportunity for students to make various marketing strategy decisions in a realistic, dynamic, simulated, competitive environment. Students, working in teams, will manage a portfolio of a firm's products for several years (periods). They will learn how to make long term decisions (introduction of new products) and will deal with various cross-functional issues related to marketing management (e.g., research and development, product design, and budgeting). Students will develop an initial strategy statement and strategic marketing plan for their firm.

### NBA 633 Current Topics in Marketing

Spring (first half). 1.5 credits. S-U grades only. V. Rao, D. Stayman, V. Kadiyali.  
The marketing environment in which a business operates is subject to constant change; these changes are gradual in some cases, but sudden in most situations due to the developments in technology. To compete effectively, marketers need to be proactive and adapt their strategies to various anticipated changes. Examples of the changes in the environment include: consumers shopping in new and emerging channels (e.g., grocery shopping on the Internet and direct mail); emergence of new media for advertising and communication (e.g., World Wide Web); continuous introduction of new high-technology products and processes (e.g., products based on electronics and biotechnology); availability of mega-databases for targeting customers; and regulation. This course will present current thinking of how a business should and could adapt to significant environmental trends; an illustration is the need to look at markets pace transactions as opposed to traditional marketplace transactions. A majority of the topics will be introduced and presented by practicing managers in several relevant industries. A set of carefully selected articles in professional and academic journals will constitute background readings for the course. Each student will be required to write an analysis of the situation presented in the class and develop a short term paper on a course topic of interest.

### [NBA 635 Marketing Models

Fall. 3 credits. Prerequisite: NCC 503. Not offered 1998-99. V. Kadiyali.  
Students learn how to use mathematical models to solve marketing problems. The objective is to develop students' skills in evaluating marketing models and implementing them in management practice.]



**[NBA 637 Direct Marketing]**

1.5 credits. Prerequisite: NCC 503 Marketing Management, or equivalent.  
Not offered 1998-99. V. Rao, D. Stayman.

The objective of this short course is to expose MBA students to selected contemporary issues in the area of direct marketing. In addition to providing an overview of the direct marketing industry and trends in database technology, the course will address major strategic and tactical issues in the management of direct marketing. The discussion will mainly consider the perspective of a marketer interested in employing the opportunities in direct marketing as an integral element of the marketing mix for a product/service. It will also address appropriate ethical concerns with direct marketing. To acquire a flavor of various practices in the industry, students will visit one or two direct marketing firms in New York City or its vicinity toward the end of the course.]

**[NBA 638 Analysis of Competitive Decision Making]**

Spring. 3 credits. Prerequisite: NCC 502. V. Kadiyali.

This course brings methods of microeconomics analysis to competitive decision making. Specifically, we will address issues relating to optimal competitive decisions for a firm interacting with current and potential rivals. We discuss how firms can, by their choice of appropriate decisions, best signal to rivals their intentions and degree of commitment to them. We also look at sustainability, flexibility, and correction of decision choices. Game theoretic perspectives are used to understand these concepts. The dimensions of competitive strategy that we look at include product proliferation, R&D and patent policies, choice of compatibility with existing products, bundling of products, investing in capacity, vertical integration, choice of channels of distribution partners, pricing, and promotions. We also discuss problems caused in the optimal choice and implementation of firm strategies when information is imperfect. Specifically, we look at issues of moral hazard and adverse selection, and how these issues affect firm choices of strategies (e.g., pricing, choice of channel partners, etc.). Instruction includes lectures and cases.

**[NBA 639 Data-Driven Marketing]**

Spring. 3 credits. A. Ainslie.

Data-Driven Marketing will introduce the future brand manager or marketing consultant to the use of market data to evaluate and construct pricing and promotional strategies. The course will introduce new sources of data available on product purchases and consumers' reactions to the marketing environment. The course focuses on the practical use of popular data sources. Approximately 70 percent of the course will cover panel data on high-volume consumer packaged goods, and 30 percent will be devoted to direct or "database" marketing. The goal of this course is to introduce these new data sources and provide a solid foundation for the development of analytic tools. Examples are drawn from the consumer packaged goods industry. This course makes intensive use of EXCEL and the WINDOWS computing environment. The data has been extracted and organized for use in EXCEL; this allows the student to concentrate on learning modeling tools without a large investment in computing or data manipulation methods.

**Operations Management****[NBA 641 Logistics and Manufacturing Strategy]**

Spring. 3 credits. Prerequisite: NCC 508, OR&IE 410, or permission of the instructor. L. J. Thomas.

The course is about strategic management of the values chain, from materials to customer. Students discuss operations strategy issues that are important to both manufacturing and service. The course emphasizes written and oral communication skills. About a third of the classes are spent on case studies, with small groups presenting their analyses of them. There is one mid-term examination, but the majority of the grade is evaluated based on projects and class participation. There is an option of replacing some assignments with a "live case," a project with a local company.

**[NBA 644 Quality Management]**

Fall. 3 credits. Prerequisite: NCC 508 or permission of the instructor. Not offered 1998-99. L. Robinson.

The course uses the Malcolm Baldrige national Quality Award Criteria to examine issues in managing quality in both service and manufacturing environments. Topics include an external focus on identifying and satisfying the customer, an internal focus on process redesign and improvement (including bottleneck management and the just-in-time philosophy of eliminating waste), the strategic and competitive aspects of quality improvement, human-resource issues (such as worker participation, motivation and performance measurement, and worker teams), quality and design, and selected topics in statistical quality control (experimental design, acceptance sampling, and process control). Students should have a working knowledge of Lotus 1-2-3 or Excel software.]

**[NBA 645 Product Development Practicum]**

Spring. 3 credits. Not offered 1998-99. J. Thomas.

This course centers on developing a major new product for firms. It will involve training in creativity by a consulting firm and readings in product development. This course will provide the opportunity to learn from many different sources, consultants, faculty, and executives.]

**[NBA 646 Service Operations]**

Spring. 3 credits. Prerequisite: NCC 508. M. Lojo.

This course addresses the unique aspects of managing service operations in contrast to manufacturing enterprises. Design, marketing, evaluation, and improvement techniques will be discussed. Types of services to be examined include consumer, professional, industrial, and not-for profit, including government and volunteer-based services. The emphasis will be on high-end, knowledge-based services that play a critical role in our economy. Traditional operations management models will be applied to services, as well as theories based in other disciplines such as social psychology and economics.

**[NBA 650 Semester in Manufacturing Management (also ILR 670)]**

Spring. 15 credits. Enrollment limited; permission of instructor required. J. Suwinski.

This is a full-time program for the semester; students will not be able to take other courses concurrently. The course is concerned with the integration of technological, human-resource, logistical, and financial considerations to produce a manufacturing enterprise that can respond quickly and effectively to market requirements. It will be taught by a team of faculty and industrial practitioners, and much of the student work will be team-oriented. There will be considerable off-campus travel for field study of a variety of manufacturing plants. Note that this course is an approved substitute for both the Production and Operations Management and Organizational Behavior core courses, i.e., NCC 504 and NCC 508. Johnson School students should complete NCC 506 before taking this course.

**[NBA 651 Employment Relations]**

Spring. 1 credit. Not offered 1998-99. The course will be offered over two full days and will consist of three parts: (1) an overview of U.S. labor and employment law and its effect on today's management, (2) a case analysis of what can lead a workforce to seek union representation to be able to bargain collectively over wages and conditions of employment, and (3) an examination of union-management productivity partnership.]

**[NBA 652 Integrating Product Design, Marketing, and Manufacturing]**

Spring. 1 credit. J. Bradley, J. Thomas. The course will make the necessity of integrating product design, marketing and manufacturing for a firm's success apparent. Managerial tools and useful concepts that facilitate this integration will be introduced. Students will have the opportunity, through homework assignments or projects, to make a more in-depth foray into the course topics.

**[NBA 653 Strategic Alliances: Lessons from Experience]**

Spring. 1 credit. J. Suwinski. A wide variety of strategic alliances are being used today as companies try to leverage their resources for competitive advantage. This course will overview the spectrum of alliances, examining the strategic rationale and pros and cons of each major type of alliance. The primary focus of the course will be on joint ventures as a specific form of strategic alliance, where the success rate is less than 50%. The course will develop a set of principles that have contributed to success for Corning Incorporated. The course will be taught from the perspective of the general manager of a major business unit.

**Behavioral and Organizational Science****[NBA 663 Managerial Decision Making]**

Fall. 3 credits. J. Russo. All managers make decisions, usually without the aid of formal tools. Much research has shown that such intuitive decisions produce common, predictable errors. The course uses the psychology of decision making to teach managers how to recognize the situations that most commonly lead to error and offers methods to overcome such errors. Specific applications include forecasting, pricing and promotion strategies, negotiations, the psychology of financial markets, and managerial risk taking.

**NBA 665 Managing Technology and Innovation**

Fall. 3 credits. H. Haveman.

This course is designed for students who see themselves in settings where they have to develop new products or processes and for students who must implement change in existing products or processes. We discuss major issues involved in managing the introduction of new technology, including competitiveness, technology assessment, R&D strategy, and positioning. We examine how industries are transformed by new technologies and how innovations diffuse among firms. We also consider internal management issues, including such topics as the structure of innovative organizations, the design of incentive and reward systems that foster risk taking, the way innovation champions manage the new-product development through cross-functional teams, and the role of executive leadership. The course uses a combination of readings, lectures, discussions, case analyses, and guest lectures.

**NBA 666 Negotiations**

Fall, spring. 3 credits. K. O'Connor.

Negotiation is the art and science of securing agreements between two or more interdependent parties. The purpose of this course is to understand the theory and processes of negotiation as it is practiced in a variety of settings. This course is designed to complement the technical and diagnostic skills learned in other courses at the Johnson School. A basic premise of the course is that while a manager needs analytical skills to develop optimal solutions to problems, a broad array of negotiation skills is needed for these solutions to be accepted and implemented. The course will highlight the components of an effective negotiation and teach students to analyze their own behavior in negotiations. The course will be largely experiential, providing students with an opportunity to develop their skills by participating in negotiations and integrating their experiences with the principles presented in the assigned readings and course discussions.

**NBA 667 Managing Intellectual Capital**

Fall. First seven weeks. 1.5 credits.

B. Nelsen.

As the twentieth century draws to a close, economies long based on manufacturing are giving way to those based on the management of information, the production of knowledge, and the provision of services. Hence, organizational profits will increasingly flow from intellectual rather than material capital. A firm's success will hinge upon the manager's ability to recognize and adapt to the unique challenges presented by managing intellectual capital. This course examines this shift in the business environment and its practical implications for managers. Topics addressed include (1) motivating and managing knowledge workers; (2) employee empowerment and self-managing teams; (3) organizational learning; and (4) leadership for innovation and creativity.

**NBA 668 Leading Teams and Organizations**

Spring. 3 credits. R. Peterson.

This course draws on current research in team decision making and leadership to address four key issues in leading organizations. The first is assessing decision effectiveness. How do we know if the organization is making the best possible decisions? The second issue is

defining leadership itself. What is leadership? Is it different from management? Third is team effectiveness. Why are teams increasingly being used to make strategic decisions in organizations? What can leaders do to improve team decision making? The fourth issue is organizational structure and leadership. What are the major organizational structures? How might they be utilized to maximize team and organizational effectiveness? The course is a mixture of lecture, discussion, cases, and experiential learning. Grading is based on class participation, two small midterm cases done in teams, and a larger individual final exam case.

**NMI AND NRE RESEARCH AND ADVANCED STUDIES****NMI 500-502 Directed Reading and Research**

Fall, spring. 1, 2 or 3 credits. S-U grading only.

Students undertake special-interest research under the supervision of faculty members. Registration is limited to students who have the approval of their advisers and of the faculty members involved in the research.

**NMI 510 Multi-Cultural Work Environments**

Spring. 1 credit. S-U grading only.

Restricted to Johnson School students.

C. Rosen, B. Mink.

NMI 510 is a 1-credit, S-U, independent study course that is open to students whose summer internships will be in a country other than that of their citizenship or prior work experience. The goal of the course is to promote an understanding of the cultural assumptions we bring to the work environment and the effects of cultural differences on organizational interactions and productivity. Registration for the course occurs in the spring semester prior to the internship, and grades are posted in the following fall semester after completion of the course project (a 10-page paper). Students may register for the course after obtaining an internship offer and completing the paperwork for the course instructors. International students will obtain and process work authorization forms with the International Students Office. See Charlotte Rosen (Malott 558) for further details about the academic and immigration requirements for NMI 510.

**DOCTORAL SEMINARS****NRE 502 Doctoral Seminar In Marketing**

3 credits. A. Ainslie.

This class is intended to introduce students to empirical research in marketing. There will be a strong focus on the historical development of econometric specifications of consumer choice models (with an emphasis on heterogeneity and issues of dynamic consumption patterns), and Bayesian methods in marketing. However, by the very nature of the class, the content will to some extent be driven by the participants in the course. Teaching will be interactive, and each participant will be expected to present one of the papers studied to the rest of the class. Furthermore, each participant will be expected to replicate the results of one of the papers, requiring the participant to write the

necessary code and briefly discuss their findings.

Enrollment is by consent of the instructor. Students are required to have done a graduate level course in either mathematical statistics or econometrics, although this restriction may be waived in special cases. Students are welcome to sit in on parts of the class; for example, the section on Bayesian Methods will be broad enough that students from other areas may find the presentation useful.

**NRE 504 Doctoral Seminar in Accounting**

3 credits. Staff.

The seminar provides a rigorous and integrative exposure to those aspects of the literature in accounting, behavioral economics, and psychology that are related to questions of accounting and auditing theory and research. This course is for Ph.D. students only.

**NRE 507 Doctoral Seminar: Affect and Cognition**

Fall. 3 credits. A. Isen.

The course examines research on some of the ways affect influences such thought processes as memory, decision making (including risk taking), and problem solving (including creative problem solving). Applied topics relevant to management concerns (for example, organizational behavior and consumer behavior) as well as other theoretical and applied topics (among them medical decision making, social interaction, self-concept, and cognitive and affective development) are considered, depending on student interests. Courses in statistics and experimental design.

**NRE 509 Doctoral Seminar in Research Methods**

3 credits. Staff.

This course concerns the fundamentals of scientific research: theory, research design, methods, and criticism. It is designed for doctoral students who wish to undertake research publishable in scholarly journals. Little or no scientific training is assumed. Statistics will not be emphasized; however, familiarity with elementary statistical concepts and inference will prove useful. The course will cover: 1) the principles of theory building; 2) the pros and cons of various general research designs (laboratory and field experiments, surveys, interviews, participant observation, archival studies, simulations, and formal mathematical models); and 3) the structure of research papers and the review process.

**NRE 510 Ethnography in Organizations**

3 credits. B. Nelsen.

This course is a comprehensive introduction to the philosophy and practice of fieldwork in an ethnographic tradition, with particular emphasis on conducting fieldwork in organizational settings. The course has four primary objectives: (1) to acquaint students with various philosophies and techniques for doing field research in organizational settings; (2) to provide students with an opportunity to engage in field research; (3) to provide students with an opportunity to develop unique insights into an organizational setting(s) and contribute to the theoretical understanding of social phenomena in their field of study; (4) to provide a climate of social support throughout the student's field experience.

**NRE 511 Doctoral Seminar in Finance—Corporate Finance**

1.5 credits. Staff.

This course will cover topics in corporate finance and empirical asset pricing.

**NRE 513 Doctoral Seminar in Finance—Market Microstructure**

3 credits. Staff.

The course examines recent research in market microstructure, particularly as it relates to theoretical issues. Topics covered include asymmetric information in securities markets, market behavior, and market structure.

**NRE 514 Doctoral Seminar in Finance—Asset Pricing Theory**

1.5 credits. Permission of instructor required. Staff.

This course will cover asset pricing theory as based on either economic equilibrium or the absence of arbitrage. The method of instruction is primarily presentations given by the students on important papers. The presentation and the final exam each comprise about half the grade.

**[NRE 517 Doctoral Seminar in Information, Incentives, Games, and Contracts]**

3 credits. Not offered 1998-99. Staff.

An introduction to game theory and information economics for a broad audience — those who will construct (or just consume) game-theoretic models in applied fields of management (including accounting, finance, marketing, and organizational behavior) and applied fields of economics (including industrial organization, labor economics, macroeconomics, and international economics). The course emphasizes applications at least as much as pure theory: each step in the theory is illustrated by applications from management and economics before the next step in the theory is introduced. The wide variety of applications shows that similar issues arise in different fields and that the same game-theoretic tools can be applied in each setting.]

**FACULTY ROSTER**

Ainslie, Andrew, Ph.D., U. of Chicago. Asst. Prof., Marketing  
 Bailey, Warren B., Ph.D., U. of California at Los Angeles. Assoc. Prof., Finance  
 Babbes, George, Ph.D., U. of California at Berkeley. Asst. Prof., Marketing  
 BenDaniel, David J., Ph.D., Massachusetts Inst. of Technology. Don and Margi Berens Professor of Entrepreneurship  
 Bierman, Harold, Jr., Ph.D., U. of Michigan. Nicholas H. Noyes Professor of Finance  
 Bloomfield, Robert J., Ph.D., U. of Michigan. Assoc. Prof., Accounting  
 Bradley, James R., Ph.D., Stanford U. Asst. Prof., Production and Operations Management  
 Conway, Richard W., Ph.D., Cornell U. Emerson Electric Co. Professor of Manufacturing Management, Prof., Information Systems  
 D'Souza, Julia, Ph.D., Northwestern U. Asst. Prof., Accounting  
 Dyckman, Thomas R., Ph.D., U. of Michigan. Ann Whitney Olin Professor of Accounting  
 Elliott, John A., Ph.D., Cornell U. Prof., Accounting, Associate Dean for Academic Affairs

Frank, Robert, Ph.D., U. of California at Berkeley. Goldwin Smith Professor of Economics, Ethics, and Public Policy, Prof., Economics  
 Greenberg, Donald P., Ph.D., Cornell U. Jacob Gould Schurman Prof., Computer Graphics, Prof., Management Information Systems  
 Gukhal, Reddy, Ph.D., Columbia U. Asst. Prof., Finance  
 Hass, Jerome E., Ph.D., Carnegie-Mellon U. Prof., Finance and Business Strategy  
 Haveman, Heather A., Ph.D., U. of California at Berkeley. Assoc. Prof., Organizational Behavior  
 Hilton, Ronald W., Ph.D., Ohio State U. Prof., Accounting  
 Isen, Alice M., Ph.D., Stanford U. S. C. Johnson Prof., Marketing, Prof., Psychology  
 Jarow, Robert A., Ph.D., Massachusetts Inst. of Technology. Ronald P. and Susan E. Lynch Professor of Investment Management, Prof., Finance  
 Kadiyali, Vrinda, Ph.D., Northwestern U. Asst. Prof., Marketing and Economics  
 Lee, Charles M. C., Ph.D., Cornell U. Prof., Accounting  
 Li, Haitao, Ph.D., Yale U. Asst. Prof., Finance  
 Libby, Robert, Ph.D., U. of Illinois. David A. Thomas Professor of Management, Prof., Accounting  
 Lind, Robert C., Ph.D., Stanford U. Prof., Economics, Management, and Public Policy  
 Lojo, Maureen P., Ph.D., Massachusetts Inst. of Technology. Asst. Prof., Operations Management  
 McAdams, Alan K., Ph.D., Stanford U. Assoc. Prof., Managerial Economics  
 McClain, John O., Ph.D., Yale U. Prof., Quantitative Analysis  
 Michaley, Roni, Ph.D., New York U. Assoc. Prof., Finance  
 Nelsen, Bonalyn, Ph.D., Cornell U. Asst. Prof., Organizational Behavior  
 Nelson, Mark W., Ph.D., Ohio State U. Assoc. Prof., Accounting, KMPG Peat Marwick Faculty Fellow  
 O'Connor, Kathleen, Ph.D., Northwestern U. Asst. Prof., Management and Organizations  
 O'Hara, Maureen, Ph.D., Northwestern U. Robert W. Purcell Prof., Management, Prof., Finance  
 Orman, Levent V., Ph.D., Northwestern U. Assoc. Prof., Information Systems  
 Peterson, Randall S., Ph.D., U. of California at Berkeley. Asst. Prof., Management and Organizations  
 Rao, Vithala R., Ph.D., U. of Pennsylvania. Deane W. Malott Professor of Management, Prof., Marketing  
 Robinson, Lawrence W., Ph.D., U. of Chicago. Assoc. Prof., Operations Management  
 Russo, J. Edward, Ph.D., U. of Michigan. S. C. Johnson Family Prof., Management, Prof., Marketing  
 Sally, David F., Ph.D., U. of Chicago. Asst. Prof., Organizational Behavior  
 Smidt, Seymour, Ph.D., U. of Chicago. Nicholas H. Noyes Professor of Economics and Finance  
 Stayman, Douglas M., Ph.D., U. of California at Berkeley. Assoc. Prof., Marketing  
 Swaminathan, Bhaskaran, Ph.D., U. of California at Los Angeles. Asst. Prof., Finance  
 Tasker, Sarah, Ph.D., MIT. Asst. Prof., Accounting

Thomas, L. Joseph, Ph.D., Yale U. Nicholas H. Noyes Professor of Manufacturing, Director, Executive Development Program  
 Waldman, Michael, Ph.D., U. of Pennsylvania. Prof., Economics  
 Wittink, Dick R., Ph.D., Purdue U. Henrietta Johnson Louis Prof., Management, Prof., Marketing and Quantitative Methods

**Lecturers**

Highfield, Richard A., Ph.D., U. of Chicago. Sr. Lec. Economics, Associate Dean for MBA Programs and Operations  
 Katz, Jan, Ph.D., Massachusetts Inst. of Technology. Sr. Lec., International Business and Marketing  
 Matthews, Ronald W., Sr. Lec., Operations Management  
 Mink, Barbara E., M.A., Cornell U. Sr. Lec., Management Communications  
 Pike, Alan S., M.A., Cornell U. Sr. Lec., Management Communications  
 Rosen, Charlotte, Ph.D., Cornell U. Sr. Lec., Coordinator, Management Communications  
 Suwinski, Jan H., Sr. Lec. in Operations Management

**Adjunct and Visiting Faculty**

Grossman, Dale A., J.D., American U. Sr. Lec., Tax and Business Law  
 Schuler, Richard E., Ph.D., Brown U. Prof. Economics, Prof. Civil & Environmental Engineering  
 Thomas, William, MBA, Harvard. Lec., Management